

**ARIZONA DEPARTMENT OF WATER RESOURCES
WATER MANAGEMENT DIVISION**

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August 20, 2004

JANET NAPOLITANO
Governor

HERB GUENTHER
Director

Dear Interested Party:

On March 11, 1983, the Arizona Department of Water Resources (Department) adopted temporary rules governing well spacing and well impacts and replacement wells in the same location, R12-15-830 and R12-15-840, pursuant to Arizona Revised Statutes (A.R.S.) § 45-592(B). The intent was to adopt the temporary rules until a permanent set of rules could be adopted through the regular rulemaking process. Efforts to adopt permanent rules were pursued in the past and for various reasons were terminated without the adoption of permanent rules and the temporary rules are therefore still in effect. The temporary rules are available for review at the Department's web site: www.water.az.gov/adwr (click on AZ Water Info/Statutes & Rules).

Earlier this year, the Department initiated proceedings to adopt permanent rules through the regular rulemaking process. A Notice of Rulemaking Docket Opening was published in the Arizona Administrative Register on March 19, 2004. The subject matter of the proposed rulemaking is to develop criteria for a permanent set of rules regarding the location and spacing of wells and for assessing well impacts under A.R.S. §§ 45-544, 45-592, 45-597, 45-598, 45-601, 45-603, 45-834.01, 45-1041 and 45-1052. These rules generally apply to applications to drill non-exempt wells inside Active Management Areas (AMA) and applications to drill wells to recover stored water inside and outside AMAs.

The Department has begun the well rule development process by developing an internal Well Rules Development Team that is made up of representatives from each AMA, the Hydrology Division, and the Legal Division within the agency. This group has been meeting on a regular basis and has developed a list of issues and concerns the Department would like to address during the rulemaking process. These issues and concerns are being drafted as individual problem statements that will be distributed, discussed and revised during the public input process.

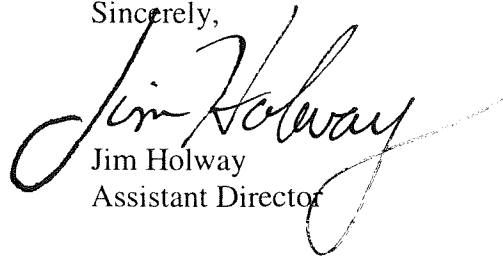
The Department is now developing a process for public input and a stakeholders group. It is the Department's goal to have a stakeholders group with members representing all interested parties. The stakeholder meetings will be open to the public and the audience will have a chance to participate in the discussions. We are now looking for participants who would like to participate in the stakeholders group and who will be able to represent their water use sector.

If you are interested in serving on the stakeholders group or wish to identify someone who can represent your interest, or if you are interested in attending the stakeholders group meetings and would like to be added to a mailing list for future meetings and document distribution, please direct your requests to Rose Mae Nokes, ADWR Docket Supervisor at 602-417-2420. Please include your mailing address, e-mail address, and indicate if you would like to be a part of the stakeholders group. The Department's web site and e-mail will be the preferred method of communication during this process.

Please be aware that this process will involve a significant commitment and it is important that the participants be able to attend and participate in the stakeholder process regularly. Please take this into consideration if you recommend a representative. The goal for the stakeholders group is to develop a consensus concept paper that will guide the Department in the development of a final rule package that will be presented to the Governor's Regulatory Review Council before our five-year review which is due the Spring of 2006. The Department has made this effort a top priority and intends to complete the stakeholder's process within nine to twelve months.

Please respond to this request by September 17, 2004. The tentative time frame for the first meeting will be during the last two weeks of October, 2004. Among the topics to be discussed at that meeting will be the creation of the stakeholders group, a proposed schedule, and the Departments perspective on issues and concerns needing to be addressed. Scott Miller will lead this effort for the Department. If you have any specific questions, please contact Scott Miller at 602-417-2465 or one of the AMA personnel as indicated in the attached table. Thank you and I look forward to working with you on developing the well rules.

Sincerely,



Jim Holway
Assistant Director

SM/JH/gw

Enclosure

cc: Rose Mae Nokes, Docket Supervisor
Scott Miller, Phoenix AMA
Cynthia Pogue, Pinal AMA
Jack McCormack, Prescott AMA
Alejandro Barcenas, Santa Cruz AMA
Jeff Tannler, Tucson AMA